

## Your tax-favored accounts

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### Online registration

If you haven't registered online, visit [www.myFBMC.com](http://www.myFBMC.com) and follow the link to register. You'll need to answer a few simple questions and create a user-name and password.

Once registered, elect to **Go Green** to receive real-time notifications when your claim is received, processed, partially or fully rejected, and when your payment is issued.

### Direct deposit

Direct deposit service has no fees, and your FSA reimbursement checks are deposited into the checking or savings account of your choice within 48 - 72 hours of claim approval.

### Questions

If you have questions or concerns, you can speak with a WageWorks' Customer Care Representatives to learn more about the program. Just call 800.342.8017  
Monday - Friday, 7 a.m. - 10 p.m. ET.

[www.myFBMC.com](http://www.myFBMC.com)

## Start saving with flexible spending accounts

A flexible spending account (FSA) is an account you set up for your anticipated, eligible medical services, medical supplies and dependent care expenses not normally covered by your insurance. You can choose either a Medical Spending Account (MSA) or a Dependent Care Spending Account (DCSA), or both.

Your Medical Spending Account funds are deducted before federal and state taxes are calculated on your paycheck, and your MSA funds are available to you in one lump sum at the beginning of your plan year.

With either account, you benefit from having less **taxable** income in each of your paychecks, which means more **spendable** income to use toward your eligible medical and dependent care expenses.

Once you decide how much to contribute to your Medical and/or Dependent Care Spending Accounts, the funds are deducted in equal amounts from your paycheck during the plan year. Before signing up for an FSA, review this reference guide to understand how FSAs can save you and your family a significant amount of tax money.

## Important dates to remember

Your open enrollment is: **October 1, 2017, through October 31, 2017.**

Your period of coverage is: **January 1, 2018, through December 31, 2018.**

## Enrollment information

- ▶ Open enrollment is **October 1, 2017, through October 31, 2017.**
- ▶ Complete an enrollment form by October 31, 2017, to make changes to your current benefits.
- ▶ Your 2018 plan year is January 1, 2018, through December 31, 2018.
- ▶ Return your completed enrollment form to your benefits administrator.
- ▶ Remember to bring all necessary dependent and beneficiary information to your enrollment session.
- ▶ In 2018, the Dependent Care Spending Account contribution will be capped at \$1,700 for highly compensated employees. However, the \$1,700 cap is subject to adjustment. The 2016 salary used to define highly compensated employees for 2017 was \$120,000 or greater. The IRS will set the salary for 2018 in October 2017.
- ▶ All employees can go to our website at [www.myFBMC.com](http://www.myFBMC.com) to enroll. Employees who would like to complete an enrollment form should see their benefits administrator. For help with online enrollment, call WageWorks' Customer Care at 800.342.8017, Monday - Friday, 7 a.m. - 10 p.m. ET. If you wish to start, stop or change contributions to a Health Savings Account, you must complete a paper enrollment form.
- ▶ All MSA participants will receive a myFBMC Card® (there is no fee for the card). See Page 18 for details.
- ▶ For more information, contact WageWorks' Customer Care at 800.342.8017, Monday - Friday, 7 a.m. - 10 p.m. ET.



# Accessing your benefits

Our Customer Care Center offers you a variety of resources to answer your questions about your benefits and MoneyPlus accounts, including the website and Interactive Voice Response system (IVR).

## On the web

Visit [www.myFBMC.com](http://www.myFBMC.com) to access our home page. Use the navigational tabs along the top of the webpage to get answers to many of your benefits questions.

If you previously registered an email address and password, you may continue using this information. If you haven't registered, log in to the website as a first-time user. Follow the link on the login page to register.

- ▶ **My Benefits** – You can check your account status, read FSA descriptions, use our tax calculator and much more.
- ▶ **My Account** – Check the status of your FSA claims, download forms, get information about mailing and faxing your claim and see any transactions needing documentation. View your FSA balance(s) and contributions or review monthly statements and your transaction history. You can also download forms for reimbursement and direct deposit. Please visit [www.myFBMC.com](http://www.myFBMC.com) to activate your myFBMC Card®. You may also download a card fact sheet or claim form, read detailed instructions on proper card use and review our IAS Store List to maximize card convenience.
- ▶ **My Profile** – Change your account profile, access your Member ID or select a new PIN.
- ▶ **Resources** – Browse through our extensive resource library, including materials, eligible medical and dependent care expenses, required documentation, over-the-counter drug listings and helpful tips.

## Go Green for instant information!

With Go Green you can review and print your real-time account information at any time and receive real-time updates about these events:

- ▶ Claims are received
- ▶ Claims are paid
- ▶ Claims are partially or fully rejected
- ▶ myFBMC Card® documentation needed
- ▶ To receive information electronically
- ▶ myFBMC Card® suspension warning
- ▶ myFBMC Card® suspended
- ▶ myFBMC Card® reinstated
- ▶ New online statement notification

Going Green makes it easy to track claims and manage your account. To enroll, simply register or log in to [www.myFBMC.com](http://www.myFBMC.com), click on the "Go Green" box under "Account Access" and you're on your way to simpler account management.

## Over the phone

Our automated phone system, Interactive Voice Response line (IVR), can be reached 24/7 by calling 800.865.3262. IVR allows you to access your account(s) any time, follow the voice prompts to find out information such as:

- ▶ Current balance(s);
- ▶ Current active accounts;
- ▶ Claim status;
- ▶ Mailing address verification;
- ▶ Obtain claim forms; and
- ▶ Change your PIN.

### Personal Identification Number (PIN)

To access the IVR system, all you need is your Social Security number (SSN). The last four digits of your SSN will be your first PIN. After your initial login, you will be asked to register and select your own confidential PIN to access this system in the future. Your new PIN cannot be the last four digits of your SSN, cannot be longer than eight digits and must be greater than zero.

#### Record PIN here.

Remember, this will be your PIN for IVR access.

If you forget your PIN, call Customer Care at 800.342.8017.

**Note:** Please be sure to keep this reference guide in a safe, convenient place, and refer to it for benefit information.

# MoneyPlus

## What is MoneyPlus?

MoneyPlus, administered by WageWorks, is a tax-favored account(s) program made available through Internal Revenue Service (IRS) Code Sections 105, 125, 129 and 223 to maximize your medical and dependent care dollars. With MoneyPlus, you elect to contribute an annual amount from your salary that is deducted from your paycheck before taxes. You can use these funds to pay for your eligible medical and dependent care expenses. As you incur eligible expenses during the plan year, you request reimbursement.

### MoneyPlus features include:

- ▶ **Pretax Group Insurance Premium feature**, which allows you to pay your State Health Plan, TRICARE Supplement Plan, dental, vision, and Optional Life premiums with pretax dollars. See Page 14.
- ▶ **Flexible spending accounts**
  - **Medical Spending Accounts**, which allow you to pay for eligible medical expenses with pretax dollars. See Page 15.
  - **Dependent Care Spending Accounts**, which allow you to pay for eligible dependent care expenses with pretax dollars. See Page 19.
- ▶ **Health Savings Accounts**, as described in the Health Savings Accounts section, beginning on Page 10.

### Is a flexible spending account right for me?

If you can estimate eligible expenses during your plan year, you may save money by paying for them with a spending account. A portion of your salary is deposited into your spending account each pay period.

- ▶ You decide the amount you want deposited.
- ▶ You are reimbursed for eligible expenses with tax-free dollars.
- ▶ You save income and Social Security taxes each time you receive wages.

### What types of flexible spending accounts are available?

Your employer offers you a MoneyPlus Medical Spending Account as well as a Dependent Care Spending Account. If you incur both types of expenses during a plan year, you can establish both types of spending accounts.

## How much money will I save?

This example shows how paying for benefits with pretax dollars saves you money and increases your spendable income.

	Without MoneyPlus	With MoneyPlus
Gross monthly pay	\$2,500.00	\$2,500.00
State retirement	-225.00	-225.00
Pretax Group Insurance Premium	-0.00	-0.28
Administrative fee(s)	-0.00	-3.14
Pretax payroll deduction*	-0.00	-613.58
Taxable gross income	\$2,275.00	\$1,658.00
Payroll taxes (estimate)	-682.50	-497.40
Eligible expenses*	-613.58	-0.00
Spendable income	\$978.92	\$1,160.60

**Increase in monthly spendable income: \$181.68**

\* For the purpose of this example only, monthly pretax payroll deductions and after-tax expenses are defined as the following:

Health premium	\$143.86
Dental premium	\$13.72
Dependent care expenses	\$400.00
Out-of-pocket medical expenses	<u>\$56.00</u>
Total	\$613.58

Spendable income is considered the amount of your paycheck, plus the reimbursement from your MoneyPlus Medical and/or Dependent Care Spending Accounts.

### Medical Spending Account

Medical expenses not covered by your insurance plan may be eligible for reimbursement using your Medical Spending Account, including:

- ▶ Birth control pills;
- ▶ Eyeglasses; and
- ▶ Orthodontics.

Remember, if you enroll in an Health Savings Account, you can also enroll in a Limited-use Medical Spending Account to pay eligible dental and vision expenses.

### Dependent Care Spending Account

Dependent care expenses, whether for a child or an elder, include any expense that allows you to work outside the home, such as:

- ▶ Daycare services;
- ▶ In-home care;
- ▶ Nursery and preschool; and
- ▶ Summer day camps.

More information is available on Page 19.

# MoneyPlus

## MoneyPlus eligibility

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### **Who is eligible?**

You must be **eligible for the State Health Plan** to participate in MoneyPlus. However, you are not required to be enrolled in an insurance program to participate in MoneyPlus. Retirees are not eligible to participate in MoneyPlus.

### **Pretax Group Insurance Premium feature eligibility**

If you pay a health, dental, vision or Optional Life premiums, you are automatically enrolled in the Pretax Group Insurance Premium feature unless you decline. If you decline to participate in the Pretax Group Insurance Premium feature, you can still enroll in it during open enrollment, or within 30 days of a change in family status as defined on Page 22. If you enroll during open enrollment, your benefit will become effective January 1 of the next plan year. See Page 14 for more information.

### **Medical Spending Account eligibility**

To participate in a Medical Spending Account, you must enroll each year during open enrollment. If you elect to participate in the Health Savings Account, you are only allowed to enroll in a MoneyPlus Limited-use Medical Spending Account for eligible vision and dental expenses. See Page 17 for more information. For mid-year eligibility changes, see Page 22.

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You must be eligible for the State Health Plan to participate in MoneyPlus. However, you are not required to be enrolled in an insurance program to participate in MoneyPlus.

### **Dependent Care Spending Account eligibility**

You can only enroll during open enrollment for an account that becomes effective the following January 1. You must enroll each year during open enrollment to continue your account the following plan year.

You can enroll in, or make changes to, your flexible spending account(s) within 30 days of a change in family status. Changes during the year must be necessary and appropriate. All changes must be approved. See the Changing your coverage section on Page 22 for rules governing valid changes in status.

### **How does termination or leave affect my spending account?**

If you terminate employment or go on unpaid leave, your eligibility for MoneyPlus accounts will change. While your Dependent Care Spending Account cannot be continued following termination or the start of unpaid leave, you can change or continue your Medical Spending Account election upon completion of the appropriate forms and requirements. To make this change or to continue coverage, contact Customer Care at 800.342.8017.

Specific guidelines about your employer's termination and leave policies can be obtained from your employer. In addition, the Family and Medical Leave Act (FMLA) may affect your rights to continue coverage while on leave. Please contact your employer for further information.

### **Health Savings Account eligibility**

To participate in a Health Savings Account, you:

- ▶ Must be enrolled in the State Health Plan Savings Plan;
- ▶ Cannot be covered by any other type of health plan, including Medicare (you may be covered for specific injuries, accidents, disability, dental care, vision care and long-term care); and
- ▶ Cannot be claimed as a dependent on another person's tax return.

Refer to the MoneyPlus Health Savings Account section on Page 10 for more information.

## Typical flexible spending account eligible expenses

Use your flexible spending account to save on hundreds of products and services for you and your family. Eligible expenses are defined by the IRS and your employer.

### Eligible medical expenses

*Typically, your MSA covers:*

Acupuncture  
Ambulance service  
Birth control pills and devices  
Breast pumps  
Chiropractic care  
Contact lenses (corrective)  
Dental fees  
Diagnostic tests/health screening  
Doctor fees  
Drug addiction/alcoholism treatment  
Drugs  
Experimental medical treatment  
Eyeglasses  
Guide dogs

Hearing aids and exams  
In vitro fertilization  
Injections and vaccinations  
Nursing services  
Optometrist fees  
Orthodontic treatment  
Over-the-counter items (some drugs require prescription)  
Prescription drugs to alleviate nicotine withdrawal symptoms  
Smoking cessation programs/treatments  
Surgery  
Transportation for medical care  
Weight-loss programs/meetings  
Wheelchairs  
X-rays

### Eligible dependent care expenses

*Your DCSA typically covers expenses that allow you to work such as:*

Babysitting fees  
Daycare services  
Elder care  
In-home care/au pair services  
Nursery and preschool  
Summer day camps

For more information on a Limited-use Medical Spending Account, refer to the MoneyPlus Limited-use Medical Spending Account section beginning on Page 17.

### Receiving reimbursement

Your spending accounts reimbursements will be processed within five business days from the time WageWorks receives your properly completed and signed MoneyPlus Claim Forms. To avoid delays, follow the instructions for submitting your requests, which are in the materials you will receive following enrollment. You will receive a myFBMC Card® to electronically debit funds from your MoneyPlus Medical Spending Account. See Page 8 for more information.

### Annual contribution limits

#### For Medical Spending Account:

Minimum annual deposit: None  
Maximum annual deposit: **\$2,650**

### For Dependent Care Spending Account:

Minimum annual deposit: None  
The maximum contribution depends on your tax filing status.

- ▶ If you are married and filing separately, your maximum annual deposit is **\$2,500**.
- ▶ If you are single and head of household, your maximum annual deposit is **\$5,000**.
- ▶ If you are married and filing jointly, your maximum annual deposit is **\$5,000**.
- ▶ If either you or your spouse earn less than \$5,000 a year, your maximum annual deposit is equal to the lower of the two incomes.
- ▶ If your spouse is a full-time student or incapable of self-care, your maximum annual deposit is **\$3,000** a year for one dependent and **\$5,000** a year for two or more dependents.
- ▶ In 2018, the Dependent Care Reimbursement Account will be capped at \$1,700 for highly compensated employees.

### Typical FSA-ineligible expenses for MSA:

- ▶ Insurance premiums;
- ▶ Vision warranties and service contracts;
- ▶ Cosmetic surgery not deemed medically necessary to alleviate, mitigate or prevent a medical condition; and
- ▶ Over-the-counter items requiring a prescription.

### Typical FSA-ineligible expenses for DCSA:

- ▶ Books and supplies;
- ▶ Child support payments or child care if you are a non-custodial parent;
- ▶ Health care or educational tuition costs; and
- ▶ Services provided by your dependent, your spouse's dependent or your child who is under age 19.

# MoneyPlus

## How MoneyPlus spending accounts work

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- ▶ Estimate carefully the annual amount you will spend for dependent care and eligible medical expenses.
- ▶ The annual amounts you elect to have deducted pretax from your paycheck will be divided into equal installments, deducted from your paycheck, then credited to your MoneyPlus accounts.
- ▶ After you incur expenses during the plan year, submit documentation or a copy of your Explanation of Benefits, if applicable, with your MoneyPlus claim form for reimbursement through your MoneyPlus spending account.
- ▶ You may only submit a MoneyPlus claim form for reimbursement through your MoneyPlus spending account for the actual out-of-pocket expenses covered. Once your claim is received, your reimbursement request will be processed within five business days. **Medical Spending Account claims will be paid up to the amount of your yearly election. For Dependent Care Spending Accounts, checks are prepared up to the amount of your current account balance. Any excess dependent care expenses will be held in suspense and disbursed when money is available in your account.**
- ▶ You will be reimbursed for your eligible expenses through your MoneyPlus spending account until you have exhausted your annual contributions or until the plan year ends.

## Spending account guidelines

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1. The IRS does not allow you to pay your medical or other insurance premiums through either type of spending account. Refer to the "Written certification" portion of the "Beyond your benefits" section of this *Tax-Favored Accounts Guide* for more specifics.
2. You cannot transfer money between spending accounts or pay a dependent care expense from your Medical Spending Account or vice versa.
3. You have a 90-day run-out period (until March 31, 2019) at the end of the plan year for reimbursement of eligible spending account expenses incurred during your period of coverage within the 2018 plan year and applicable grace period (ending March 15, 2019). This grace period applies to a MoneyPlus Medical Spending Account only.
4. You may not receive insurance benefits or any other compensation for expenses reimbursed through your spending accounts.
5. You cannot deduct reimbursed expenses for income tax purposes.
6. You may not be reimbursed for a service you have not yet received.
7. Be conservative when estimating your medical and/or dependent care expenses for the 2018 plan year. IRS regulations state that any unused funds remaining in your spending account after a plan year and any grace period ends, and all reimbursable requests have been submitted and processed, cannot be returned to you or carried forward to the next plan year.

**Be certain you obtain and submit all required information with each FSA reimbursement request.**

### **What documentation of expenses do I need to keep?**

The IRS **requires** MoneyPlus spending and health savings account customers to maintain complete documentation, including copies of statements or bills for reimbursed expenses.

### **Will contributions affect my income taxes?**

Salary reductions made under a cafeteria plan, including contributions to an Health Savings Account or to one or both spending accounts, will lower your taxable income and taxes. These reductions are one of the money-saving aspects of starting a MoneyPlus health savings or spending account. Additional state income tax savings or credits may also be available. Your salary reductions will reduce earned income for purposes of the federal Earned Income Tax Credit.

To help you choose between the available taxable and tax-free benefits, or a combination of both, consult your tax adviser and/or the IRS for additional information.

### **What fees must I pay for MoneyPlus?**

There is a \$3.14 administrative monthly fee for each spending account and a \$0.28 fee for the Pretax Group Insurance Premium feature. For example, if you choose to participate in the Medical and Dependent Care Spending Accounts, you will pay \$3.42 each month in administrative fees. If you have both a Medical FSA and Dependent FSA, you pay one administrative fee of \$3.14. All fees are deducted from pretax dollars. Bank fees for the Health Savings Account are explained on Page 12.

### **Get more information**

For additional information regarding MoneyPlus, refer to your *Insurance Benefits Guide*, which is available online at [www.peba.sc.gov](http://www.peba.sc.gov). You may also access other MoneyPlus information on the PEBA's website.



# MoneyPlus

## Over-the-counter (OTC) expenses

OTC items categorized as medicines and drugs (i.e., allergy treatments, antacids, cold remedies, first aid supplies and pain relievers), except diabetic supplies, require a prescription from your physician to be eligible for reimbursement.

You may be reimbursed for OTCs through your MoneyPlus Medical Spending Account if:

- ▶ The item, or prescribed medicine or drug, was used for a specific medical condition for you, your spouse and/or your dependent(s);
- ▶ The submitted receipt clearly states the purchase date and name of the item or prescribed medicine or drug;
- ▶ The reimbursement request is for an expense allowed by your employer's MoneyPlus Medical Spending Account plan and IRS regulations; and
- ▶ You submit your reimbursement request in a timely and complete manner already described in your benefits enrollment information.

**Note:** OTC items, medicines and drugs, including bulk purchases, must be used in the same plan year in which you claim reimbursement for their cost. The categories of eligible OTC items will be updated on a quarterly basis by WageWorks. It is your responsibility to remain informed of updates to this listing, which can be found at [www.myFBMC.com](http://www.myFBMC.com).

Newly eligible OTC items, medicines and drugs are not considered a valid change in status event that would allow you to change your annual MoneyPlus Medical Spending Account election or salary reduction amount. Be sure to maintain sufficient documentation to submit receipts for reimbursement. You may resubmit a copy of your receipt from your records if a rejected OTC expense becomes eligible for reimbursement later in the same plan year.

## MoneyPlus grace period

An IRS Revenue Notice permits a “grace period” of two months and 15 days following the end of your 2018 plan year (December 31, 2018) for a MoneyPlus Medical Spending Account. This grace period ends on March 15, 2019. **During the grace period, you may incur expenses and submit claims for these expenses.** Claims will be processed in the order in which they are received by WageWorks, and your accounts will be debited accordingly. This is true for both paper claims and myFBMC Card® transactions. However, to use the card for grace period transactions, you must have had the card during the 2018 plan year. If you have funds remaining in an account from the prior plan year, these funds will be used first until exhausted. Then, subsequent claims will be debited from your new plan year account balance. After March 15, the myFBMC Card® can only deduct money from the current plan year. Therefore, if you wish to submit prior year expenses during the portion of the claim run-out period from March 15 through March 31, you must use a paper claim form.

**Submit your claims for the 2017 plan year before you begin submitting expenses in the 2018 plan year. Documentation for the 2018 plan year must be received by March 31, 2019. If you wait to submit your claims from the previous year, they could be rejected if your account is exhausted paying claims incurred during the grace period.**

You should not confuse the grace period with the plan's “run-out period.” The run-out period extends until March 31, 2019. This is a period for filing claims incurred anytime during the 2018 plan year, as well as claims incurred during the grace period mentioned above. However, this applies only to those claims paid from the prior year first.

Your Dependent Care Spending Account also has a run-out period that extends until March 31, 2019. The grace period mentioned above does not apply to this account. Dependent Care expenses that occur after December 31, 2018, may not be reimbursed from funds for the 2018 plan year.

## Direct deposit

Enroll in direct deposit to speed up your reimbursement.

- ▶ Spending account reimbursement funds are automatically deposited into your checking or savings account within 48 hours of claim approval.
- ▶ There is no fee for this service.
- ▶ You don't have to wait for postal service delivery of your reimbursement. You will receive notification that the claim has been processed.

To apply, complete the enrollment form available in your confirmation pack, from your benefits administrator or on [www.myFBMC.com](http://www.myFBMC.com). You may also call WageWorks' Customer Care at 800.342.8017. If you are currently enrolled in direct deposit, you do not need to re-enroll. Please note that processing your direct deposit enrollment may take between four to six weeks.

# MoneyPlus

## Requesting reimbursement

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### For a Medical Spending Account

You can use your Medical Spending Account to reimburse eligible expenses after you have sought (and exhausted) all means of reimbursement provided by your employer and any other appropriate resource. Keep in mind that some eligible expenses are reimbursable on the date available, not the date ordered.

To request reimbursement, simply fax or mail a correctly completed MoneyPlus Claim Form or submit online via the [www.MyFBMC.com](http://www.MyFBMC.com) website. Be sure to include the following:

- ▶ An invoice or bill from your health care provider listing the date you received the service, the cost of the service, the specific type of service and the person for whom the service was provided; or
- ▶ An Explanation of Benefits from your health insurance provider that shows the specific type of service you received, the date and cost of the service and any uninsured portion of the cost; and
- ▶ A written statement from your health care provider stating the service was medically necessary, if those services could be deemed cosmetic in nature, accompanied by the invoice or bill for the service.

#### Send all FSA reimbursement claims to:

Fax toll-free: 888.800.5217

Mail to: WageWorks  
P.O. Box 14766  
Lexington KY 40512-4766

**Note:** If you elect to participate in the Dependent Care Spending Account, or if you file for the Dependent Care Tax Credit, you must attach IRS Form 2441, reflecting the information above, to your 1040 income tax return. Failure to do this may result in the IRS denying your pretax exclusion.

### For a Dependent Care Spending Account

You can request reimbursement from your Dependent Care Spending Account as often as you like. However, your approved expense will not be reimbursed until the last date of service for which you are requesting reimbursement has passed. Remember that for timely processing of your reimbursement, your payroll contributions must be current.

Requesting reimbursement from your Dependent Care Spending Account is easy. Simply fax or mail a correctly completed MoneyPlus Claim Form or submit online via the [www.MyFBMC.com](http://www.MyFBMC.com) website. Be sure to include the following:

- ▶ The name, age and grade of the dependent receiving the service;
- ▶ The cost of the service;
- ▶ The name and address of the provider; and
- ▶ The beginning and ending dates of the service.

Be certain you obtain and submit the above information when requesting reimbursement from your Dependent Care Spending Account. This information is required with each request for reimbursement.

**Note:** Canceled checks or credit card receipts (or copies) listing the cost of eligible expenses are **not** valid documentation for either Medical or Dependent Care Spending Account reimbursement.

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A properly completed request will help speed up your reimbursement, allowing you to receive your check or direct deposit promptly.



## Important FSA notes

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- ▶ You have a **90-day run-out period** (ending March 31, 2019) after your plan year ends to submit reimbursement requests for all eligible FSA expenses incurred during your plan year.
- ▶ You may, however, continue using only your **Medical Spending Account** during the **grace period**, which is two months and 15 days after the end of your plan year. Be sure to submit your grace period claims before the end of your 90-day run-out period.

## Appeal process

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If your request for a mid-plan-year election change, MoneyPlus spending account reimbursement claim or other similar request is denied, in full or in part, you have the right to appeal the decision by sending a written request within 30 days of the denial for review to WageWorks.

Your appeal must include:

- ▶ The name of your employer;
- ▶ The date of the services for which your request was denied;
- ▶ A copy of the denied request;
- ▶ The denial letter you received;
- ▶ Why you think your request should not have been denied; and
- ▶ Any additional documents, information or comments you think may have a bearing on your appeal.

Your appeal and its supporting documentation will be reviewed. You will be notified of the results of this review within 30 business days from receipt of your appeal. In unusual cases, such as when appeals require additional documentation, the review may take longer than 30 business days. If your appeal is approved, additional processing time is required to modify your benefit elections.

**Note:** Appeals are approved only if the extenuating circumstances and supporting documentation are within your employer's plan, insurance provider's rules, and the IRS regulations governing the plan.

# Pretax Group Insurance Premium feature

## **Pretax Group Insurance Premium feature**

With this feature, you can pay your State Health Plan, TRICARE Supplement Plan, State Dental Plan, Dental Plus, State Vision Plan and Optional Life (for coverage up to \$50,000) premiums before taxes are taken out of your paycheck. With this feature, you do not have to pay taxes on the dollars you use to pay these premiums. You are enrolled automatically in this feature on the *Notice of Election* if you pay a health, dental, Dental Plus, vision or Optional Life premium, unless you decline. There are special enrollment procedures if you want to participate in the spending accounts. Contact your benefits administrator for details.

If you declined the Pretax Group Insurance Premium feature in the past, you can enroll during the open enrollment period for an effective date of January 1 of the following year. The monthly administrative fee for deducting medical, dental, vision and Optional Life premiums before taxes is \$0.28, which is taken from your paycheck before taxes are deducted.

## **Optional Life insurance premiums**

You can pay your Optional Life insurance premiums before you pay taxes. Your entire Optional Life insurance premium will be deducted from your check before taxes. However, only premiums for coverage up to \$50,000 will be exempt from tax. Premiums paid for additional coverage amounts (more than the IRS-allowed maximum of \$50,000) will be added back to your earnings on your W-2 form at the end of the year.

# MoneyPlus Medical Spending Account

## What is a MoneyPlus Medical Spending Account?

A MoneyPlus Medical Spending Account is an IRS tax-favored account you can use to pay for your eligible medical expenses not covered by your insurance or any other plan. These funds are set aside from your salary before taxes are deducted, allowing you to pay your eligible expenses tax-free.

### Whose expenses are eligible?

Your MoneyPlus Medical Spending Account may be used to reimburse eligible expenses incurred by:

- ▶ You;
- ▶ Your spouse;
- ▶ Your qualifying child; or
- ▶ Your qualifying relative.

An individual is a **qualifying child** if he is not someone else's qualifying child, does not turn age 27 during the taxable year and:

- ▶ Is a U.S. citizen, national or a resident of the U.S., Mexico or Canada
- ▶ Has a specified family-type relationship to you;
- ▶ Lives in your household for more than half of the tax year;
- ▶ Is 26 years old or younger at the end of the tax year; and
- ▶ Has not provided more than one-half of his own support during the tax year.

An individual is a **qualifying relative** if he is a U.S. citizen, national or a resident of the U.S., Mexico or Canada and:

- ▶ Has a specified family-type relationship to you, is not someone else's qualifying child and receives more than one-half of his support from you during the tax year; or
- ▶ If no specified family-type relationship to you exists, is a member of and lives in your household (without violating local law) for the entire tax year and receives more than one-half of his support from you during the tax year.

There is no age requirement for a qualifying child if he is physically and/or mentally incapable of self-care. An eligible child of divorced parents is treated as a dependent of both, so either or both parents can have a MoneyPlus Medical Spending Account.

### Can travel expenses for medical care be reimbursed?

Travel expenses primarily for, and essential to, receiving medical care, including health care provider and pharmacy visits, may be reimbursable through your MoneyPlus Medical Spending Account. With proper substantiation, eligible expenses can include:

- ▶ Actual round-trip mileage;
- ▶ Parking fees;
- ▶ Tolls; and
- ▶ Transportation to another city.

### Are prescriptions eligible for reimbursement?

Yes, most filled prescriptions are eligible for MoneyPlus Medical Spending Account reimbursement as long as you properly substantiate the expense. The IRS requires the complete name of all medicines and drugs be obtained and documented on pharmacy invoices (including prescription number, date(s) of service and total dollar amount). This information must be included when submitting your request to WageWorks, for reimbursement. Proper submission of the reimbursement request is needed to ensure that the drug is eligible for reimbursement.

### Over-the-counter (OTC) expenses

OTC items categorized as medicines and drugs (ex: allergy treatments, antacids, cold remedies, first aid supplies and pain relievers), except diabetic supplies, require a prescription from your physician to be eligible for reimbursement.

You may be reimbursed for OTCs through your MoneyPlus Medical Spending Account if:

- ▶ The item, or prescribed medicine or drug, was used for a specific medical condition for you, your spouse and/or your dependent(s);
- ▶ The submitted receipt clearly states the purchase date and name of the item or prescribed medicine or drug;
- ▶ The reimbursement request is for an expense allowed by your employer's MoneyPlus Medical Spending Account plan and IRS Regulations; and
- ▶ You submit your reimbursement request in a timely and complete manner already described in your benefits enrollment information.

**Note:** OTC items, medicines and drugs, including bulk purchases, must be used in the same plan year in which you claim reimbursement for their cost. The categories of eligible OTC items will be updated on a quarterly basis by WageWorks.

Newly eligible OTC items, medicines and drugs are not considered a valid change in status event that would allow you to change your annual MoneyPlus Medical Spending Account election or salary reduction amount. Be sure to maintain sufficient documentation to submit receipts for reimbursement. You may resubmit a copy of your receipt from your records if a rejected OTC expense becomes eligible for reimbursement later in the same plan year.

# MoneyPlus Medical Spending Account

## **Is orthodontic treatment reimbursable?**

Orthodontic treatment designed to treat a specific medical condition is reimbursable through your MoneyPlus Medical Spending Account if the proper documentation is provided.

- ▶ A written statement, bill or invoice from the treating dentist/orthodontist showing the type and date the service was incurred, the name of the eligible individual receiving the service, the cost for the service; and
- ▶ A copy of the patient's contract with the dentist/orthodontist for the orthodontic treatment (only required if a participant requests reimbursement for the total program cost spread over a period of time).

Reimbursement of the full or initial payment amount may only occur during the plan year in which the braces are first installed. For reimbursement options available under your employer's plan, including care that extends beyond one or more plan years, refer to the information provided following your enrollment, or call Customer Care at 800.342.8017.

## **When are my funds available?**

Once you sign up for a MoneyPlus Medical Spending Account and decide how much to contribute, the maximum annual amount of reimbursement for eligible health care expenses will be available throughout your period of coverage.

Since you don't have to wait for the cash to accumulate in your account, you can use it to pay for your eligible health care expenses when your deductions begin.

## **Should I claim my expenses on IRS Form 1040?**

With a MoneyPlus Medical Spending Account, the money you set aside for health care expenses is deducted from your salary before taxes. It is always tax free, regardless of the amount. By enrolling in a MoneyPlus Medical Spending Account, you guarantee your savings.

Itemizing your health care expenses on your IRS Form 1040 may give you a different tax advantage, depending on their percentage of your adjusted gross income. You should consult a tax professional to determine which option is right for you.

## **Are some expenses ineligible?**

Expenses not eligible for reimbursement through your MoneyPlus Medical Spending Account include:

- ▶ Insurance premiums;
- ▶ Vision warranties and service contracts; and
- ▶ Cosmetic surgery not deemed medically necessary to alleviate, mitigate or prevent a medical condition.

## **When do I request reimbursement?**

You may use your MoneyPlus Medical Spending Account to reimburse eligible expenses after you have sought (and exhausted) all means of reimbursement provided by your employer and any other appropriate resource. Also keep in mind that some eligible expenses are reimbursable on the date provided or filled (such as a mail-order prescription), not the date ordered.

## **How do I request reimbursement?**

Requesting reimbursement from your MoneyPlus Medical Spending Account is easy. Simply fax or mail a correctly completed claim form along with the following:

- ▶ An invoice or bill from your health care provider that shows the date you received the service, the cost of the service, the specific type of service and the person for whom the service was provided; or
- ▶ An Explanation of Benefits from your health insurance provider that shows the specific type of service you received, the date and cost of the service and any uninsured portion of the cost; and
- ▶ A written statement from your health care provider stating the service was medically necessary if this service could be deemed cosmetic in nature, accompanied by the invoice or bill for the service.

Please note that canceled checks or credit card receipts (or copies) listing the cost of eligible expenses are **not** valid documentation for MoneyPlus Medical Spending Account reimbursement.

## **Fax toll-free:**

888.800.5217

## **Mail to:**

WageWorks  
P.O. Box 14766  
Lexington KY 40512-4766

# Limited-use Medical Spending Account

## **May I have a MoneyPlus Spending Account and a Health Savings Account?**

Yes, MoneyPlus HSA subscribers may enroll in a MoneyPlus Limited-use Medical Spending Account to pay certain eligible expenses. **The Medical Spending Account may be used to pay expenses not covered by the State Health Plan Savings Plan, including dental and vision care expenses.** Except for the restriction on what kinds of expenses are reimbursable, a MoneyPlus Limited-use Medical Spending Account works the same as a MoneyPlus Medical Spending Account.

Since you can pay for your out-of-pocket medical expenses with your MoneyPlus HSA, some MoneyPlus Medical Spending Account features are not available with a MoneyPlus Limited-use Medical Spending Account, including:

- ▶ No reimbursement of out-of-pocket medical expenses, such as deductibles, coinsurance and copayments; and
- ▶ No reimbursement for over-the-counter items.

**Remember, MoneyPlus Limited-use Medical Spending Accounts are available only to HSA participants. Dependent Care Spending Account eligibility is not affected by your HSA participation.**

For additional information regarding MoneyPlus, refer to your *Insurance Benefits Guide*, which is available from your benefits administrator or online at [www.peba.sc.gov](http://www.peba.sc.gov). You may also access MoneyPlus information on PEBA's website.

# myFBMC Card® Visa®



The myFBMC Card® is a convenient reimbursement option that allows quick electronic reimbursement of eligible expenses under your employer's plan and IRS guidelines. Because it is a payment card, when you use the myFBMC Card® to pay for eligible expenses, funds are electronically deducted from your account. For 2017, all MoneyPlus MSA and Limited-use MSA participants will receive a myFBMC card. There is no fee for the card.

## myFBMC Card® advantages

You can use the myFBMC Card® for your eligible medical and prescription expenses. Please be sure to review the list of eligible items at the beginning of your plan year. Other advantages include:

- ▶ **Instant reimbursements** for health care expenses;
- ▶ **Instant approval of prescription and OTC\* expenses, as well as some medical, vision and dental expenses** (others require documentation);
- ▶ **No out-of-pocket expense**; and
- ▶ **Easy access** to your account funds.

**Remember, OTC drugs and medicines require a valid prescription to qualify for FSA reimbursement and myFBMC Card® use.**

#### Notes:

The myFBMC Card® Visa® is issued by **UMB**.

\* **Note:** You **cannot** use the myFBMC Card® for cosmetic dental expenses, eye glass warranties, or OTC drugs and medicines (unless filled using a valid prescription).

## Using the myFBMC Card®

For eligible expenses, swipe the myFBMC Card® as you would any other credit card. Whether at your health care provider or at your drugstore, your eligible expenses will be automatically deducted from your MoneyPlus Medical Spending Account. **The card is only accepted at IIAS-certified merchants.** To find out if a pharmacy or drugstore near you accepts the card, please refer to the **IIAS Store List** at [www.myFBMC.com](http://www.myFBMC.com).

Two cards will be sent to you in the mail; one for you and one for your spouse or eligible dependent. Keep your cards to use each plan year until their expiration date. If you already have the myFBMC Card®, you will need to re-enroll during October enrollment to continue using the card the next plan year. You will not be issued a new card.

Remember, you can go to [www.myFBMC.com](http://www.myFBMC.com) to see your account information and check for any outstanding card transactions.

### Documenting a myFBMC Card® expense

You must send in documentation for certain myFBMC Card® transactions, such as those that are **not** a known office visit or prescription co-payment (as outlined in your health plan's Schedule of Benefits). When requested, you must send in documentation for these transactions. Documentation for a card expense is a statement or bill showing:

- ▶ Name of the patient;
- ▶ Name of the service provider;
- ▶ Date of service;
- ▶ Type of service (including prescription name); and
- ▶ Total amount of service.

OTC drug prescription purchase receipts must include the prescription number. If not included, a copy of the prescription must accompany the receipt instead.

**Note:** This documentation must be sent with a **claim form** and cannot be processed without it. Like all other FSA documentation, you must keep your myFBMC Card® expense documentation for a minimum of one year, and submit it when requested.

**If you fail to send in the requested documentation for an myFBMC Card® expense, you will be subject to:**

- ▶ Withholding of payment for an eligible paper claim to offset any outstanding myFBMC Card® transaction;
- ▶ Suspension of myFBMC Card® privileges; and
- ▶ The reporting of any outstanding myFBMC Card® transaction amounts as income on your W-2 at the end of the tax year.

**Note:** Card transaction disputes must be filed within 60 days of the transaction date.

### What happens if I have money left in my account at the end of the plan year?

These funds will be used first until exhausted — through March 15, 2019, which is the grace period allowed by the IRS. Then, subsequent claims will be debited from your new plan year account balance. For more information on the grace period, see Page 7.

**Note:** Card transaction disputes must be filed within 60 days of the transaction date.

### The myFBMC Card® agreement

For more information about the myFBMC Card®, see the Cardholder Agreement that accompanies it, or visit [www.myFBMC.com](http://www.myFBMC.com).



# MoneyPlus Dependent Care Spending Account

## What is a MoneyPlus Dependent Care Spending Account?

A MoneyPlus Dependent Care Spending Account is an IRS tax-favored account you can use to pay for your eligible dependent care expenses to ensure your dependents (child or elder) are taken care of while you and your spouse (if married) are working outside the home. These funds are set aside from your salary before taxes are deducted, allowing you to pay your eligible expenses tax-free.

### Whose expenses are eligible?

You may use your MoneyPlus Dependent Care Spending Account to receive reimbursement for eligible dependent care expenses for qualifying individuals.

A qualifying individual includes a **qualifying child**, if he:

- ▶ Is a U.S. citizen, national or a resident of the U.S., Mexico or Canada;
- ▶ Has a specified family-type relationship to you;
- ▶ Lives in your household for more than half of the tax year
- ▶ Is 12 years old or younger; and
- ▶ Has not provided more than one-half of his own support during the tax year.

A qualifying individual includes your **spouse**, if he:

- ▶ Is physically and/or mentally incapable of self-care;
- ▶ Lives in your household for more than half of the tax year; and
- ▶ Spends at least eight hours per day in your home.

A qualifying individual includes your **qualifying relative**, if he:

- ▶ Is a U.S. citizen, national or a resident of the U.S., Mexico or Canada;
- ▶ Is physically and/or mentally incapable of self-care;
- ▶ Is not someone else's qualifying child;
- ▶ Lives in your household for more than half of the tax year;
- ▶ Spends at least eight hours per day in your home; and
- ▶ Receives more than one-half of his support from you during the tax year.

**Note:** Only the custodial parent of children of divorced or legally separated parents can be reimbursed using the MoneyPlus Dependent Care Spending Account.

### What is my maximum annual deposit?

- ▶ If you are married and filing separately, your maximum annual deposit is \$2,500.
- ▶ If you are single and head of household, your maximum annual deposit is \$5,000.
- ▶ If you are married and filing jointly, your maximum annual deposit is \$5,000.
- ▶ If either you or your spouse earn less than \$5,000 a year, your maximum annual deposit is equal to the lower of the two incomes.
- ▶ If your spouse is a full-time student or incapable of self-care, your maximum annual deposit is \$3,000 a year for one dependent and \$5,000 a year for two or more dependents.

### When are my funds available?

Once you sign up for a MoneyPlus Dependent Care Spending Account and decide how much to contribute, the funds available to you depend on the actual funds in your account. Unlike a Medical Spending Account, the entire maximum annual amount is not available when the plan year begins, but rather after your payroll deductions are received.

### Should I claim tax credits or exclusions?

Since money set aside in your MoneyPlus Dependent Care Spending Account is always tax-free, you guarantee savings by paying your eligible expenses through your IRS tax-favored account. Depending on the amount of income taxes you are required to pay, participation in a MoneyPlus Dependent Care Spending Account may produce a greater tax benefit than claiming tax credits or exclusions alone.

Remember, you cannot use the dependent care tax credit if you are married and filing separately. Also, any dependent care expenses reimbursed through your MoneyPlus Dependent Care Spending Account cannot be filed for the dependent care tax credit, and vice versa.

To help you choose between the available taxable and tax-free benefits, or a combination of both, consult your tax adviser and/or the IRS for additional information. You may also visit [www.myFBMC.com](http://www.myFBMC.com) to complete a Tax Savings Analysis.

### Are some expenses ineligible?

Expenses not eligible for reimbursement through your MoneyPlus Dependent Care Spending Account include:

- ▶ Books and supplies;
- ▶ Child support payments or child care if you are a non-custodial parent;
- ▶ Health care or educational tuition costs; and
- ▶ Services provided by your dependent, your spouse's dependent or your child who is under age 19.

# MoneyPlus Dependent Care Spending Account

## Will I need to keep any additional documentation?

To claim the income exclusion for dependent care expenses on IRS Form 2441 (Child and Dependent Care Expenses), you must be able to identify your dependent care provider. If your dependent care is provided by an individual, you will need his or her Social Security number for identification, unless he or she is a resident or non-resident alien who does not have a Social Security number. If your dependent care is provided by an establishment, you will need its Taxpayer Identification Number.

If you are unable to obtain a dependent care provider's information, you must compose a written statement that explains the circumstances and states that you made a serious and earnest effort to get the information. This statement must accompany your IRS Form 2441.

## When do I request reimbursement?

You can request reimbursement from your MoneyPlus Dependent Care Spending Account as often as you like. However, your approved expense will not be reimbursed until the last date of service for which you are requesting reimbursement has passed. Also, to process your reimbursement, you must have funds in your account.

**A properly completed request will help speed up your reimbursement, allowing you to receive your check or direct deposit promptly.**

## How do I request reimbursement?

Requesting reimbursement from your MoneyPlus Dependent Care Spending Account is easy. Simply fax or mail a correctly completed MoneyPlus Claim Form along with documentation showing the following:

- ▶ The name, age and grade of the dependent receiving the service;
- ▶ The cost of the service;
- ▶ The name and address of the provider (including SSN or Tax Identification Number); and
- ▶ The beginning and ending dates of the service.

Be certain you obtain and submit the above information when requesting reimbursement from your MoneyPlus Dependent Care Spending Account. This information is required with each request for reimbursement. Canceled checks or credit card receipts (or copies) listing the cost of eligible expenses are **not** valid documentation for MoneyPlus Dependent Care Spending Account reimbursement.

### Fax toll-free:

888.800.5217

### Mail to:

WageWorks  
P.O. Box 14766  
Lexington KY 40512-4766

**Note:** If you elect to participate in the MoneyPlus Dependent Care Spending Account, or if you file for the Dependent Care Tax Credit, you must attach IRS Form 2441, reflecting the information above, to your 1040 income tax return. Failure to do this may result in the IRS denying your pretax exclusion.

# MoneyPlus worksheets

To figure out how much to deposit in your MoneyPlus accounts, refer to the following worksheets. Calculate the amount you expect to pay during the plan year for eligible, uninsured, out-of-pocket medical and/or dependent care expenses. This calculated amount cannot exceed established IRS and plan limits. For a Medical Spending Account, there is no minimum and a \$2,650 maximum. For a Dependent Care Spending Account there is no minimum, and the maximum depends on your tax filing status. If you are married and filing separately, your maximum annual deposit is \$2,500. If you are single and head of household, your maximum annual deposit is \$5,000. If you are married and filing jointly, your maximum annual deposit is \$5,000. If either you or your spouse earn less than \$5,000 a year, your maximum annual deposit is equal to the lower of the two incomes. If your spouse is a full-time student or incapable of self-care, your maximum annual deposit is \$3,000 a year for one dependent and \$5,000 a year for two or more dependents.

Be conservative in your estimates, since any money remaining in your accounts cannot be returned to you or carried forward to the next plan year.

## Medical Spending Account Worksheet

Estimate your eligible, uninsured out-of-pocket medical expenses for the plan year.

### UNINSURED MEDICAL EXPENSES

Health insurance deductibles	\$ _____
Coinsurance or copayments	\$ _____
Vision care	\$ _____
Dental care	\$ _____
Prescription drugs	\$ _____
Travel costs for medical care	\$ _____
Other eligible expenses	\$ _____
<b>SUBTOTAL</b>	\$ _____

**DIVIDE** by the number of paychecks you will receive during the plan year.\* \$ \_\_\_\_\_

**This is your per-pay-period contribution.** \$ \_\_\_\_\_

\*If you are retiring or are enrolling after the plan year begins, divide by the number of pay periods remaining in the plan year. One year of participation is no longer necessary. See Page 15 for details.

## Dependent Care Spending Account Worksheet

Estimate your eligible dependent care expenses for the plan year. Remember that your calculated amount cannot exceed the calendar year limits established by the IRS.

### CHILD CARE EXPENSES

Daycare services	\$ _____
In-home care/au pair services	\$ _____
Nursery and preschool	\$ _____
After school care	\$ _____
Summer day camps	\$ _____

### ELDER CARE SERVICES

Daycare center	\$ _____
In-home care	\$ _____

**SUBTOTAL**—Remember, your total contribution cannot exceed IRS limits for the plan year and calendar year. \$ \_\_\_\_\_

**DIVIDE** by the number of paychecks you will receive during the plan year.\* \$ \_\_\_\_\_

**This is your per-pay-period contribution.** \$ \_\_\_\_\_

\*If you are retiring or are enrolling after the plan year begins, divide by the number of pay periods remaining in the plan year.

**DIRECT DEPOSIT** — No one likes waiting for money; why are you?  
MSA reimbursements are deposited into the checking or savings account of your choice within 48 hours of claim approval, and direct deposit has no fees!  
Visit [www.myFBMC.com](http://www.myFBMC.com) or call Customer Care to enroll.

Please remember to include all applicable fees in your Medical Spending Account contribution if you plan to use your myFBMC Card® as a form of payment.

# Changing your coverage

## Changing your spending account during the plan year

Within **30 days** of a qualifying event, you must submit a *Notice of Election* form and supporting documentation to your benefits administrator. Upon the approval of your election change request, your existing spending account(s) elections will be stopped or modified (as appropriate). However, if your FSA election change request is denied, you will have **30 days**, from the date you receive the denial, to file an appeal with your employer. For more information, refer to the Appeal process section on Page 9. Visit [www.myFBMC.com](http://www.myFBMC.com) for information on rules governing periods of coverage and IRS Special Consistency Rules.

## Changes in status

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**Marital status** — A change in marital status includes marriage, death of a spouse, divorce or annulment (if recognized by state law).

**Change in number of tax dependents** — A change in number of dependents includes the following: birth, death, adoption and placement for adoption. You can add existing dependents not previously enrolled whenever a dependent gains eligibility as a result of a valid change in status event.

**Change in status of employment affecting coverage eligibility** — Change in employment status of the employee, or a spouse or dependent of the employee, that affects the individual's eligibility under an employer's plan includes commencement or termination of employment.

**Gain or loss of dependents' eligibility status** — An event that causes an employee's dependent to satisfy or cease to satisfy coverage requirements under an employer's plan may include change in age, student, marital, employment or tax dependent status.

**Change in residence**<sup>1</sup> — A change in the place of residence of the employee, spouse or dependent that affects eligibility to be covered under an employer's plan. It includes moving out of an HMO service area.

## Some other permitted changes

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**Coverage and cost changes**<sup>1</sup> — Your employer's plans may permit election changes due to cost or coverage changes. You may make a corresponding election change to your Dependent Care Spending Account benefit whenever you actually switch dependent care providers. However, if a relative (who is related by blood or marriage) provides custodial care for your eligible dependent, you cannot change your salary reduction amount based solely on a desire to increase or decrease the amount being paid to that relative.

**Open enrollment under other employer's plan**<sup>1</sup> — You may make an election change when your spouse or dependent makes an open enrollment change in coverage under his employer's plan if he participates in his employer's plan; and

- ▶ The other employer's plan has a different period of coverage (usually a plan year); or
- ▶ The other employer's plan permits mid-plan year election changes under this event.

**Judgment/decreed/order**<sup>2</sup> — If a judgment, decree or order from a divorce, legal separation (if recognized by state law), annulment or change in legal custody requires that you provide accident or health coverage for your dependent child (including a foster child who is your dependent), you may change your election to provide coverage for the dependent child. If the order requires that another individual (including your spouse and former spouse) cover the dependent child and provide coverage under that individual's plan, you may change your election to revoke coverage only for that dependent child and only if the other individual actually provides the coverage.

**Medicare/Medicaid**<sup>2</sup> — Gain or loss of Medicare/Medicaid coverage may trigger a permitted election change.

**Health Insurance Portability and Accountability Act of 1996 (HIPAA)** — If your employer's group health plan(s) are subject to HIPAA's special enrollment provision, the IRS regulations regarding HIPAA's special enrollment rights provide that an IRC § 125 cafeteria plan may permit you to change a salary reduction election to pay the extra cost for group health coverage, on a pretax basis, effective retroactive to the date of the change in status event, if you enroll your new dependent within 30 days of one of the following changes in status events: birth, adoption or placement for adoption. Note that a Medical Spending Account is not subject to HIPAA's special enrollment provisions if it is funded solely by employee contributions.

**Family and Medical Leave Act (FMLA) leave of absence** — Election changes may be made under the special rules relating to changes in elections by employees taking FMLA leave. Contact your employer for additional information.

Notes:

- 1 Does not apply to a Medical Spending Account plan.
- 2 Does not apply to a Dependent Care Spending Account plan.

# COBRA

Federal law requires that most group health plans, including medical flexible spending accounts (Medical Spending Accounts), give employees and their families the opportunity to continue their health care coverage when there is a “qualifying event” that would result in a loss of coverage under an employer’s plan.

## **How long will continuation coverage last?**

### **For Medical Spending Accounts:**

If you fund your Medical Spending Account entirely, you may continue your Medical Spending Account (on a post-tax basis) only for the remainder of the plan year in which your qualifying event occurs, if you have not already received, as reimbursement, the maximum benefit available under the Medical Spending Account for the year. For example, if you elected a Medical Spending Account benefit of \$1,000 for the plan year and have received only \$200 in reimbursement, you may continue your Medical Spending Account for the remainder of the plan year or until such time that you receive the maximum Medical Spending Account benefit of \$1,000.

If your employer funds all or any portion of your Medical Spending Account, you may be eligible to continue your Medical Spending Account beyond the plan year in which your qualifying event occurs and you may have open enrollment rights at the next open enrollment period. There are special continuation rules for employer-funded Medical Spending Accounts. If you have questions about your employer-funded Medical Spending Account, call Customer Care at 800.342.8017.

### **Keep your address updated**

To protect your family’s rights, you should inform your employer and us of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to your employer and us.

### **For more information**

This COBRA section does not fully describe continuation coverage or other rights under the Plan. More information about continuation coverage and your rights under the Plan is available from your employer. You can get a copy of your summary plan description from PEBA.

For more information about your COBRA rights, the Health Insurance Portability and Accountability Act (HIPAA) and other laws affecting group health plans, contact the U.S. Department of Labor’s Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa).

# MoneyPlus Health Savings Account

## What is a Health Savings Account?

An HSA is a specialized savings account that works with your State Health Plan Savings Plan. You can use your Optum HSA to save and pay for your portion of qualified medical expenses, tax-free<sup>1</sup>. Funds in your HSA carry forward year after year and are yours to keep. There is no time frame for spending the funds, and you can save and invest<sup>2</sup> them for retirement.

### With an HSA, you can:

- ▶ Save pretax dollars for current or future medical expenses;
- ▶ Spend funds tax-free on a broad range of qualified medical expenses—just like an FSA;
- ▶ Save and invest for retirement similar to a 401(k);
- ▶ Prepare for medical costs in retirement, which typically exceed \$260,000 for couples retiring today<sup>3</sup>; and
- ▶ Own the account forever, even if you leave your employer or change health plans.

### The Optum HSA

Participants in the State Health Plan Savings Plan may choose to have an Optum HSA opened in their name.

With an Optum HSA, you will enjoy:

- ▶ Simplified online account access;
- ▶ Convenient spending with your Mastercard® HSA debit card anywhere Mastercard is accepted;
- ▶ An FDIC-insured, interest-earning account at the nation's largest HSA provider; and
- ▶ An integrated investment account and mutual funds with no transaction fees.

### HSAs and the State Health Plan Savings Plan

The HSA works with the State Health Plan Savings Plan, which is a traditional preferred provider organization—just like plans you may have had in the past—but with a lower premium payment from your paycheck and a higher deductible. Taking the savings from your premium payments and placing them in your HSA is a great way to build your balance without changing your take-home pay.

### Fund your HSA with premium savings from the Standard Plan with no change to your take-home pay

Annual paycheck savings if electing the HSA-eligible State Health Plan Savings Plan instead of the Standard Plan*	
Employee	\$1,055.76
Employee/spouse	\$2,111.52
Employee/children	\$1,480.56
Full family	\$2,322.72

\*Funded subscriber premiums will be the same as in 2018.

### Qualified medical expenses

Many expenses qualify for tax-free payments from your HSA beyond your health plan deductible—from prescriptions and chiropractic care to dental and vision expenses. Learn more about qualified medical expenses.

### Examples of qualified medical expenses

This list includes some examples of qualified medical expenses:

- ▶ Acupuncture
- ▶ Birth control pills
- ▶ Chiropractors
- ▶ Contact lenses (including saline solution and cleaner)
- ▶ Dental treatment (X-rays, fillings, extractions, dentures, braces, etc.)
- ▶ Diagnostic devices (such as a blood sugar test kit)
- ▶ Doctor's fees
- ▶ Eyeglasses (including eye examinations)
- ▶ Hospital services (including meals and lodging)
- ▶ Insulin
- ▶ Laboratory fees
- ▶ Prescription medicines or drugs
- ▶ Operations or surgery
- ▶ Psychologist
- ▶ X-rays

### 2018 contribution limits

The maximum amount the IRS allows you to contribute to your HSA in 2018 is \$3,450 for a subscriber with single coverage and \$6,900 for family coverage, plus catch-up contributions of \$1,000 for an account holder age 55 or older.

### Convenient payment options

With a swipe of your Optum Mastercard HSA debit card you can pay for prescriptions, doctor visits, dental expenses, and more. Funds will automatically be deducted from your HSA. You can use HSA checks to pay for qualified medical expenses. Remember to always save your receipts and explanation of benefits statements in case you are audited by the IRS in the future. You can upload your receipts through [www.optumbank.com](http://www.optumbank.com).



# MoneyPlus Health Savings Account

## Easy account management tools

The Optum portal makes managing your HSA fast and easy. Go to [www.optumbank.com](http://www.optumbank.com) and click Account Holder login once your account is opened. You can view account activity, make online contributions, review monthly statements and annual tax reporting, transfer funds, set up your HSA investment account and more.

## Investment<sup>2</sup> choices to meet your needs

Your minimum account balance investment threshold is \$2,000. Once the \$2,000 minimum balance in your FDIC-insured deposit account is met, you have the option to invest additional contributions you make to your HSA. With a diverse array of fund offerings, it's easy to find an option that matches your personal financial goals and investment style. Your HSA investment account has no transaction fees and all loads, or commission fees, are waived. You can conveniently begin investing in your HSA account by accessing it online at [www.optumbank.com](http://www.optumbank.com).

- ▶ Visit the Optum HSA investing center for more information on the options available.
- ▶ View a short webcast for even more on the retirement and tax benefits of HSAs.

## Benefit from tax savings and grow your account over time

With an HSA you could save up to \$30 or more in taxes on every \$100 contributed to your account<sup>1,†</sup>. The chart below shows how you can benefit from tax savings when you contribute to an HSA, as well as account growth over time.

Contributions		Annual tax savings <sup>†</sup>	Account balance in		
Per pay period	Annual		5 years	10 years	15 years
\$50	\$600	\$192	\$3,000	\$6,000	\$9,000
\$100	\$1,200	\$384	\$6,000	\$12,000	\$18,000
\$271	\$3,250	\$1,040	\$16,250	\$32,500	\$48,750
<b>\$538</b>	<b>\$6,450</b>	<b>\$2,064</b>	<b>\$32,250</b>	<b>\$64,500</b>	<b>\$96,750</b>

† Assumes 20% income, 5% state, and 7% payroll tax savings. Your tax savings may vary from this example.

## Add more power to your financial plan with an HSA

Are you looking to maximize your retirement savings? Did you know that similar to an IRA or 401(k), an HSA is a great way to save and invest<sup>2</sup> pretax dollars for retirement? The difference is HSAs also give you the flexibility to use the funds for a broad range of qualified medical expenses before retirement with no tax penalties—something you can't do with other retirement accounts<sup>6</sup>.

The average couple retiring today may need \$260,000 for medical expenses in retirement.<sup>3</sup>

HSAs can be a great supplement to your retirement savings			
Years until retirement	Annual HSA contribution	Investing potential <sup>4</sup>	Potential savings needed for a couple for medical costs in retirement <sup>3</sup>
10	\$7,450	\$113,849	\$283,503
20	\$6,450	\$265,775	\$377,798
30	\$6,450	\$566,079	\$491,534

## HSA transfer and rollover

If you already have an HSA from another HSA provider, it's easy to transfer or roll over your funds to a Optum HSA. Simply download the rollover form and submit it to Optum Bank.

Consolidating your HSAs with Optum Bank provides many benefits, including:

- ▶ The convenience of having all HSA funds available in a single account for easier tracking of contributions, earnings and distributions.
- ▶ Simpler tax reporting and filing.
- ▶ A wide array of mutual funds with no investment transaction fees can help you plan for medical expenses now and in the future.
- ▶ A library of tools including educational webcasts, investing tips and the HSA resource center.
- ▶ Dedicated HSA customer service representatives to help you with your roll over.
- ▶ Your monthly service fee is waived for when your account balance on the last day of the month exceeds \$2,500.

## Two ways to consolidate your existing HSA with your new account at Optum

There are typically two ways HSA funds are moved from one HSA provider to another:

- ▶ HSA transfer — the previous HSA provider sends the account holder a check payable to Optum. The account holder forwards the check to Optum for deposit.
- ▶ Account holder initiated rollover — the previous HSA provider sends the account holder a check payable to the account holder. In this situation, the account holder deposits the funds into his or her own checking account and then mails a personal check in the amount of the rollover to Optum. An account holder can also perform a one-time move of funds from an IRA into an HSA account.

# MoneyPlus Health Savings Account

## Frequently asked questions (FAQs) for those considering an Optum HSA

If you are enrolling in an HSA and want to know more about the benefits of an HSA and how it works, review these helpful FAQs for more information. You can also call Optum HSA Customer Service at 866.884.7374, Monday – Friday, from 8 a.m. – 9 p.m. Eastern Time, or visit [www.optumbank.com](http://www.optumbank.com).

If you are a new Optum HSA account holder, or have questions that aren't answered here, try the FAQs on [www.optumbank.com](http://www.optumbank.com).

### Who is eligible to contribute to a MoneyPlus HSA?

- ▶ Participant must be covered by the State Health Plan Savings Plan, which is a high-deductible health plan.
- ▶ Participant cannot be covered by any other type of health plan, including Medicare. However, he may be covered for specific injuries, accidents, disability, dental care, vision care and long-term care.
- ▶ Participant cannot be claimed as a dependent on another person's tax return.
- ▶ Participants who received Veterans Administration benefits within the last three months are excluded.

**How much may I contribute to my HSA?** If you enroll in the MoneyPlus HSA your contributions are deducted before taxes. For 2018, a subscriber with single coverage can contribute up to \$3,450 a year to an HSA. Those covering more than one family member can contribute up to \$6,900 a year. A subscriber age 55 and older may make “catch-up” contributions to an HSA. In 2018, that subscriber can contribute \$1,000 above the limit. These limits, established by the federal government and subject to change, are tied to the rate of inflation.

You can now enroll in an HSA during the year and make the full annual contribution, provided you are participating in the State Health Plan Savings Plan on or before December 1. The Tax Relief and Health Care Act of 2006 allows contributions to be made up to the contribution maximum for individuals who become eligible for an HSA mid-year, so long as they continue to be an eligible individual for 12 months, beginning with the last month in the year in which the individual became an eligible individual.

You will receive additional information when you enroll.

**How may I change my HSA contribution?** You may change the amount you contribute to your MoneyPlus HSA once a month. To change your HSA contribution, contact your benefits administrator.

**How do I get funds out of my HSA?** After enrolling in the HSA, Optum will establish an individual account for you and mail a Welcome Kit and one Mastercard® HSA Debit Card to your home address. The debit card is the easiest and most convenient way to access funds from your account. You may order additional debit cards for your spouse or dependents by signing onto your account online at [www.optumbank.com](http://www.optumbank.com). To order a supply of checks, contact Optum HSA Customer

**TIP:** Save enough in your HSA to cover your annual deductible and coinsurance maximum. These amounts combined are the maximum costs you could potentially have each year. Knowing you have the funds in your HSA to pay them provides a safety net in case of unexpected costs.

Employees with single coverage have an annual \$6,000 Deductible and Coinsurance Maximum combined for network services. Those with family coverage have a \$12,000 maximum for network services. In just a few years, you could have this much saved in your account.

Service at 866.884.7374, Monday – Friday from 8 a.m. – 9 p.m. ET. Remember, as long as you are taking funds out for qualified medical expenses, you pay no taxes on the funds. However, if you withdraw funds for ineligible expenses, you will have to pay income taxes and a 20 percent **excise** tax penalty on those funds.

**Will I be charged any banking or custodian fees?** Optum will charge \$1.50 a month to your HSA. This fee includes the Mastercard debit card, all transaction fees associated with the card, your HSA investment account and other banking services. Optum will deduct this fee automatically from your HSA each month. Other fees may apply, including fees for insufficient funds. The monthly service fee will be waived if the combined deposit and investment balance in your HSA on the last day of the month is greater than or equal to \$2,500. Refer to your Optum HSA Debit Card Terms and Conditions, Fee Schedule and HSA Custodial Agreement for more information. These documents will be included in your Welcome Kit from Optum. WageWorks, will also charge a monthly \$1.50 administrative fee, which will be deducted from your paycheck.

**Are there any special tax forms or tax reporting that I must complete when filing my income taxes?** After the end of the tax year, Optum will send you tax filing information for reporting your contributions and any withdrawals or distributions from your HSA. Visit [www.optumbank.com](http://www.optumbank.com) for more information on taxes and HSAs. It is important that you save receipts, invoices and any explanations of benefits received from your health insurance carrier as documentation in case you are ever asked to show proof of qualified medical expenses to the IRS.

# MoneyPlus Health Savings Account

**What if I exceed the annual contribution limits established by the IRS?** You must monitor your contributions and ensure you are contributing your annual limit—whether you have single coverage (\$3,450 in 2018), family coverage (\$6,900), or are age 55 or older and making \$1,000 catch-up contributions. You must decrease or stop your contributions accordingly if you exceed your limits. The best way to ensure that you do not exceed the annual contribution limits is to elect a per-pay period contribution amount that ensures you will not exceed the annual limits.

**May I have a MoneyPlus HSA and a spending account?** Yes, subscribers may enroll in a MoneyPlus Limited-use Medical Spending Account to pay certain eligible expenses. The Limited-use Medical Spending Account may be used to pay dental and vision expenses not covered by the Savings Plan. To enroll in the Limited-use Medical Spending Account, see Box B on the enrollment form. MoneyPlus Dependent Care Spending Account eligibility is not affected by your HSA participation. Additional information is available on Page 17. Flyers will be available with your enrollment information. Contact us at 800.342.8017 for more information.

**What are the tax benefits associated with HSAs?** HSAs enjoy triple tax benefits. The money you contribute to your HSA is tax-deductible and can be used to pay for qualified medical expenses for not only yourself, but also for your spouse and tax dependents—tax-free<sup>1</sup>. Interest earnings on your FDIC-insured cash balance, plus investment<sup>2</sup> earnings if you choose to invest in your HSA, are also tax-free.

**Why should I choose the Optum HSA?** The Optum HSA is backed by one of the largest and most recognized financial services companies in the nation—and one of the first banks to offer HSAs. The Optum HSA consists of a Federal Deposit Insurance Corporation (FDIC)-insured, interest-bearing deposit account and an investment account—allowing you to earn interest on cash in your HSA or invest your HSA funds for future use or retirement. With convenient Optum MasterCard HSA debit card access to your funds, and dedicated Customer Service representatives, the Optum HSA makes it easy for you to use your HSA and get answers to your questions.

## Can I access my HSA online and manage my account?

The Optum online account portal makes it fast and easy for you to manage your Optum HSA anytime, online. It provides all the tools you need to:

- ▶ View detailed account activity, including your HSA debit card transactions.
- ▶ Maintain your account profile.
- ▶ Make a one-time or recurring contribution to your HSA (current or prior year).
- ▶ Set up investment elections and automatic transfer to investments<sup>2</sup>.
- ▶ View online tax documents and monthly statements—for up to seven years of statements.
- ▶ Use online distributions to make one-time transfers into your Optum bank account—a great way to reimburse yourself for out-of-pocket expenses.
- ▶ Order debit cards for your dependents.

## What investment<sup>2</sup> options are available in a Optum HSA?

Optum offers a diverse array of mutual fund options to accommodate a range of investment objectives<sup>2</sup>. Once your HSA reaches a minimum balance of \$2,000, you have the option to activate the investment account and direct your contributions above \$2,000 into these mutual funds. Visit [www.optumbank.com](http://www.optumbank.com) to learn more about the mutual fund choices available to you.

**Can I use funds from an HSA for non-qualified medical expenses?** Yes, but you'll be required to pay income tax and a 20 percent tax penalty on the amount you use for non-qualified medical expenses. (The 20 percent penalty doesn't apply to distributions made after your death or disability, or after you reach age 65.)<sup>1</sup>

## Three steps to open an HSA

1. Enroll in the State Health Plan Savings Plan.
2. Complete Box "A" of the MoneyPlus Enrollment Form, then give the form to your BA or payroll center.
3. Open an Optum Bank account. Go to [www.peba.sc.gov/moneyplus.html](http://www.peba.sc.gov/moneyplus.html), then Open an HSA Bank Account with Optum Bank.

### Notes

<sup>1</sup> Consult a tax advisor. Tax references are at the federal level. State taxes may vary. The state of South Carolina recognizes HSAs and state income taxes are waived on HSA contributions.

<sup>2</sup> INVESTMENT PRODUCTS: NOT FDIC INSURED • HAVE NO BANK GUARANTEE • MAY LOSE VALUE.

<sup>3</sup> Individual situations may vary and not all costs may qualify for reimbursement from an HSA. Source: Anthony Webb and Natalia Zhivan, "How Much is Enough? The Distribution of Lifetime Health Care Costs," Center for Retirement Research at Boston College (February 2010).

<sup>4</sup> This example is for illustrative purposes only. Individual situations may vary. HSA contribution amounts are based on 2016 HSA contribution limits, which are subject to change annually by the IRS. Time horizon of 10 years includes age 55+ annual catch-up contribution of \$1,000, plus annual \$6,750 contribution—the 2016 limit for an individual with family coverage for the entire calendar year. All examples assume family HSA-compatible health plan coverage. The Optum HSA requires a \$2,000 minimum deposit account balance to invest, which is subtracted from the first year investment in these examples. HSA investment income is based on a hypothetical annual rate of return of 6% with the HSA contribution amount saved for future use and compounded annually until retirement. This example is not intended to imply or guarantee a specific investment return. Investment earnings will depend upon investment selection and length of investment time. HSA balance at retirement includes total annual HSA contributions saved for future use plus HSA investment income until age 65. Open an Optum bank account to receive your contributions. Go to [www.peba.sc.gov/moneyplus.html](http://www.peba.sc.gov/moneyplus.html) and select "Open HSA bank account with Optum," and click on the custom individual enrollment URL: [https://enrollhsa.optumbank.com/hsaAppWeb/WelcmeAction.do?is\\_partner\\_post=Y&group\\_num=HB2470](https://enrollhsa.optumbank.com/hsaAppWeb/WelcmeAction.do?is_partner_post=Y&group_num=HB2470).

<sup>5</sup> Please consult a tax advisor for eligibility concerning contributions.

<sup>6</sup> Consult a tax or investment advisor for more information.

# Beyond your benefits

## The fine print

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### **Notice of administrator's capacity**

This notice advises flexible spending account participants of the identity and relationship between your employer and WageWorks. We are not an insurance company. We have been authorized by your employer to provide administrative services for the flexible spending account plans offered herein. We will process claims for reimbursement promptly. In the event there are delays in claims processing, you will have no greater rights in interest or other remedies against us than would otherwise be afforded to you by law.

### **Social Security**

Social Security consists of two tax components: the FICA or OASDI component (the tax for old-age, survivors' and disability insurance) and the Medicare component. A separate maximum wage to which the tax is assessed applies to both tax components. There is no maximum taxable annual wage for Medicare. The maximum taxable annual wage for FICA is subject to federal regulatory change. If your annual salary after salary reduction is below the maximum wage cap for FICA, you are reducing the amount of taxes you pay and your Social Security benefits may be reduced at retirement time.

However, the tax savings realized through the flexible benefits plan generally out-weigh the Social Security reduction. Call Customer Care at 800.342.8017 for more information or contact your tax advisor.

### **Disclaimer—health insurance benefits provided under health insurance plan(s)**

Health Insurance benefits will be provided not by your employer's flexible benefits plan, but by the health insurance plan(s). The types and amounts of health insurance benefits available under the health insurance plan(s), the requirements for participating in the health insurance plan(s) and the other terms and conditions of coverage and benefits of the health insurance plan(s) are set forth from time to time in the health insurance plan(s). All claims to receive benefits under the health insurance plan(s) shall be subject to and governed by the terms and conditions of the health insurance plan(s) and the rules, regulations, policies and procedures from time to time adopted.

### **Written certification**

When enrolling in either or both FSAs, written notice of agreement with the following will be required:

- ▶ I will only use my FSA to pay for IRS-qualified expenses and only for my IRS-eligible dependents;
- ▶ I will exhaust all other sources of reimbursement, including those provided under my employer's plan(s), before seeking reimbursement from my FSA;
- ▶ I will not seek reimbursement through any additional source; and
- ▶ I will collect and maintain sufficient documentation to validate the foregoing.

## Contact us

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### **WageWorks**

#### *Customer Service*

Mon - Fri, 7 a.m. - 10 p.m. ET

800.342.8017

[www.myFBMC.com](http://www.myFBMC.com)

### **MoneyPlus Spending Accounts, Health Savings Accounts**

#### *Automated Services*

24 hours a day

800.865.3262

[www.myFBMC.com](http://www.myFBMC.com)

### **Fax claims toll-free**

888.800.5217

or online at [www.myFBMC.com](http://www.myFBMC.com)

### **myFBMC Card® Visa® Card**

#### **Lost or Stolen Card**

24 hours a day

888.462.1909

### **Submit documentation**

Fax toll-free: 888.800.5217

### **Activation**

24 hours a day

[www.myFBMC.com](http://www.myFBMC.com)

### **Dispute line**

#### *Customer Service*

Mon - Fri, 7 a.m. - 10 p.m. ET

800.342.8017

### **Optum**

(Health Savings Accounts)

#### *Customer Service*

866.884.7374

HSA Account Research

800.708.5687